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C O N F I D E N T I A L SECTION 01 OF 04 SANTIAGO 000899

SIPDIS

STATE FOR WHA/BSC, INR/B, WHA/EPSC, S/P  
STATE PLEASE PASS TO USTR KKALUTKIEWICZ, EBRZYTWA, JKEMP, CSMOTHERS  
COMMERCE FOR DPAREKH, KMANN  
LABOR FOR ILAB--CGAY  
STATE PLEASE PASS TO FEDERAL RESERVE TOM CONNORS  
TREASURY FOR BLINDQUIST  
PENTAGON FOR OSD--MLENIHAN  
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA  
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC

E.O. 12958: DECL: 2019/11/16

TAGS: [PGOV](#) [ECON](#) [PINR](#) [CI](#)

SUBJECT: Introducing Eduardo Frei: Chile's Center-Left Presidential Candidate

REF: SANTIAGO 755

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CLASSIFIED BY: Paul Simons, Ambassador, Stte, US Embassy Santiago;  
REASON: 1.4(B)

11. (C) Summary: Smart, dependable, honest, and dull, Concertacion candidate Eduardo Frei Ruiz-Tagle is attempting to regain the presidency that he held from 1994-2000 and that his legendary father, Eduardo Frei Montalva, held from 1964-1970. Despite many successes during his first four years as president, particularly in increasing Chile's international presence and promoting free trade, Frei's legacy is tainted by the economic setbacks that Chile suffered in the aftermath of the 1997 Asian financial crisis. In Chile's three-way presidential race, Frei represents both stability and stagnant politics, and his success depends on whether voters are ready to embrace the political change espoused by presidential rivals Marco Enriquez-Ominami and Sebastian Pinera, or remain with the familiar, safe, and tired Concertacion. End Summary.

Family Background: The Long Shadow of Eduardo Frei Senior

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12. (SBU) Eduardo Frei Ruiz-Tagle was born in Santiago on June 24, 1942, the fourth of seven children and the eldest son of Maria Ruiz-Tagle and Eduardo Frei Montalva. Eduardo Frei Ruiz-Tagle's childhood was marked by his father's ever-expanding role in politics. The elder Frei was already a prominent politician by the time his namesake was born, and went on to serve as Minister (1944-1946), Senator (1949-64, March- September 1973), and President (1964-70). (Note: Frei Montalva's last Senate term was cut short when the Congress was dissolved following the 1973 military coup. End Note.) Considered one of Chile's greatest modern leaders, Frei Montalva is known for his role in founding Chile's Christian Democrat party and for the numerous reforms he enacted as president: expanding public education, supporting

unionization efforts, building new public housing, improving health infrastructure, and expanding opportunities for agricultural workers to acquire their own land. Although initially supportive of the coup as a short-term antidote to Allende's excesses, Frei Montalva later became the face of opposition to military rule. When he died unexpectedly following hernia surgery in 1982, many suspected that he was poisoned by agents of Pinochet's regime, although this has not been proven.

#### From Engineering to the Asian Financial Crisis: Frei Junior Turns to Politics

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¶3. (SBU) As a young man, Eduardo Frei Ruiz-Tagle initially showed only moderate interest in the political scene where his father played a starring role. Frei studied civil engineering at the University of Chile and business management in Italy. Upon his return to Chile in 1968, he went to work for Sigdo Koppers, a major industrial firm, and climbed the ladder from project manager to partner in six years. However, the aftermath of his father's death (which his family views as "assassination") spurred the younger Frei to take on the family political mantle. In 1988 Frei sold all of his shares in Sigdo Koppers, reportedly for just over US \$1 million, his last substantial involvement in the private sector. He helped to found the Fundacion Frei, dedicated to his father's memory, and was one of the creators of the Committee for Free Elections, which promoted open elections during the Pinochet dictatorship. He actively campaigned for the "No" (anti-Pinochet) movement in advance of the 1988 plebiscite on continued military

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rule.

¶4. (SBU) In 1989, Frei ran for Senator from the East Santiago district, facing a field of six candidates, including his current rival, Sebastian Pinera. (Note: Rftel profiles Sebastian Pinera, septel will profile the third leading candidate, Marco Enriquez-Ominami. End Note.) Frei led the pack with 41% of the vote; he and second place finisher Pinera became the two senators from that district. In 1991 he was overwhelmingly elected as president of the Christian Democrat party. After defeating Socialist Ricardo Lagos in a primary, he became the Concertacion's 1993 presidential candidate, winning the election with 58% of the vote, the highest total in recent Chilean history. Frei detractors charge that the politician rode to the presidency on his father's coattails.

¶5. (SBU) During his six-year presidential term, Frei implemented sweeping judicial reform; signed twelve free trade agreements and began negotiations for many more; further expanded the public education system; and used public-private partnerships to expand the nation's highway network. Frei struggled in the public eye--his approval rating ranged from 28 to 44 during most of his term--but is remembered fondly by rural, older, and poor Chileans. Frei's forward-leaning pro-trade and pro-Asia policies were ill-timed: his legacy is often cast--particularly by his critics--as presiding over Chile's painful economic contraction during the 1997-1998 Asian financial crisis.

¶6. (C) When his presidential term ended in 2000, Frei became a senator for life under the terms of the 1980 constitution but led the successful effort to eliminate such positions. In 2004 he was again elected to the Senate, this time representing the southern region of Concepcion, Los Lagos, and Los Rios. He served as Senate

President from 2006-2008. Frei confidante Belasario Velasco tells us that if he is unsuccessful in his presidential bid, Frei will continue his work in the Senate and may even stand for re-election in 2012.

## Solid, Credible, Boring: The Personality Behind the Candidate

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¶7. (C) Frei's confidantes and family members describe him as a man who embodies many of the stereotypes of the Chilean people: earnest, hard-working, honest, and a bit stiff. Longtime friend Belasario Velasco says that Frei is "extraordinarily serious" and rigorous in his approach to work. Frei reads widely, particularly during travel time. Frei's daughter and campaign advisor, Magdalena Frei, notes that her father's analytical training as an engineer carries over to his political and policy decisions: he values logical, well-developed arguments supported by facts. He is open to influence by a wide range of people, basing his judgments more on data than on personalities. Once his mind is made up, he can be difficult to dissuade. Frei has a wide circle of advisors, but can be very loyal to specific individuals: he has clung to longtime friend Pablo Halpern as his communications director despite criticisms of Halpern's communications strategy and the departure of several key advisors due to disagreements with Halpern.

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¶8. (C) Although a wealthy man, Frei is thrifty and not prone to display his fortune. Having inherited money from his father and his wife's family, and benefitting from the 1988 sale of his Sigdo Koppers shares, Frei is currently worth about USD 8 million according to estimates by Velasco. These assets are largely managed by his brother, Francisco Javier Frei, via the Inversiones Saturno investment firm. Nonetheless, Frei maintains a simple lifestyle: he has lived in the same house for 40 years, buying the house next door to serve as his office. Frei is seen as extremely honest, and advisors have told us that there are no financial or amorous skeletons in his closet.

¶9. (C) A serious illness in 2004 led Frei to relax a bit and "indulge his nature," longtime advisor Eugenio Fredes told us. Frei developed a severe infection after undergoing prostate surgery and nearly died that year. Afterwards, Fredes said that Frei appeared to have a change of spirit--he became less formal, wore more colorful clothing, opted for a more casual hair style, and began speaking with more conviction and passion. Always a man of few words, Frei has become more comfortable with public speaking in recent years according to several of his advisors. Although not known for his sense of humor, Frei sometimes shows his wit. During a September 2009 radio debate, Frei's microphone malfunctioned, and a technician handed him a new one. When the new microphone also failed to function, Frei quipped, "See, change isn't always better"--a gibe at the pro-change platforms of his two main opponents.

## Global Interests

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¶10. (C) Frei is intensely interested in the world beyond Chile's borders and values the relationships he forged with world leaders during his term as president. Frei's efforts to open Chilean trade to other countries had him frequently on the road during his term as president, leading to jokes that newspaper photos of him meeting

with foreign leaders were cropped at his shoulders because he had his suitcases in his hands. Despite these international interests, Frei does not speak any foreign languages well. Confidantes describe him as friends with Secretary of State Hillary Clinton, former President Bill Clinton, Helmut Kohl of Germany, Fernando Cardoso of Brazil, Giulio Andreotti of Italy, Jacques Chirac of France, and King Juan Carlos and Felipe Gonzalez of Spain.

#### Family Life

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¶11. (SBU) Frei is a dedicated family man who several confidantes described as having "an ideal relationship" with his wife of 40-plus years, the irrepressible Marta Larraechea. Known as a "metiche" or busybody, Larraechea is as outspoken as Frei is quiet and is known for her blunt and sometimes offensive comments about her husband's political rivals and their wives. Larraechea ran for Mayor of Santiago in 2000 but lost to conservative candidate Joaquin Lavin. She later served as a city council member from 2000-2004, but has not pursued her own political career further. She is particularly interested in work with the elderly, and makes a point of promoting organizations and events that assist seniors.

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¶12. (C) Frei is also a very devoted father to his four daughters (Veronica, Cecilia, Magdalena, and Catalina) and six grandchildren. Cecilia, a lawyer, and Magdalena, a business administrator, are both on the board of directors of the Frei Foundation. Magdalena, who lived in the U.S. for two years, works on her father's campaign but does not appear to be a key player. The other daughters, social worker Veronica and psychologist Catalina, both faithfully attend many of their father's campaign events but generally maintain a lower profile.

#### Comment

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¶13. (C) The embodiment of stability, dependability, and the status quo, Frei's candidacy has been saddled with the inevitable complaints about 20 years of one-coalition rule without capitalizing on the public's effusive admiration for the current Concertacion president, Michelle Bachelet. Frei is secure but boring, smart but inexpressive, and experienced but weary. His image pales compared to the hip, fresh, but risky and unpredictable candidacy of Marco Enriquez-Ominami, or the wealthier, more experienced, slick, poll-tested, presidency-or-bust approach of Sebastian Pinera. Frei's success or failure will depend, in large part, on whether the Chilean people are ready to embrace a youthful and ill-defined Enriquez-Ominami revolution, the more measured "same policies with new faces" Pinera pitch, or return to the safety of the tried, true, and tired Concertacion. End Comment.  
SIMONS